Chapter 6
Program and Budget Authority

6-1. General
 a. The Federal budget approval process is prescribed by law and supplemented by the General Accounting Office (GAO) and the Office of Management and Budget (OMB). It includes two phases, authorization (program) and appropriation (funds). (See Chapter 35 for security assistance program variances.)
 b. Fund control is the authority exercised over the receipt, distribution, use, and management of Budget Authority appropriated to or administered by the U.S. Army to ensure that--
 (1) Funds are used only for authorized purposes.
 (2) Funds are used economically and efficiently.
 (3) Distributions, commitments, obligations, and expenditures do not exceed amounts authorized and available.
 (4) Distribution, obligation, or disbursement of funds is not reserved or otherwise withheld without Congressional knowledge and approval. (NOTE: This does not preclude deferral or with-holding action to provide reserves for contingen-cies or reprogramming within delegated authority.)
 c. Fund control includes all systems and operational procedures used in this process.
 d. All fund control systems and administrative procedures will--
 (1) Provide for segregation of duties in the fund distribution, obligation, and disbursement process. (See Figure 6-1)
 (2) Require clear delegation of all funding authority in writing to lower echelon officials (see paragraph 6-18 and Tables 6-1, 6-1a, 6-1b).
 (3) Perpetuate administrative and statutory limitations established by higher authority.
 (4) Distribute, monitor, and control funds at the highest level possible.
 (5) Establish appropriate reserves or other withholding of funds for contingencies.
 (6) Ensure that fund withdrawals are coordinated with recipient before being made.
 (7) Control funded reimbursement authority (FRA) and authority for engaging in automatic reimburse-ment authority (ARA) on funding documents.
 (8) Provide a mechanism to update amounts available. This includes preventing and detecting the over-distribution, over-commitment, over-obligation, and over-disbursement of funds at appropriate levels.
 e. All personnel directly involved in budget, finance, and accounting will be familiar with the provisions of the Antideficiency Act (31 U.S.C. 1517) and how it relates to informal and formal sub-divisions of funds (see Chapter 2).
 f. The Program Budget Accounting System (PBAS) is the vehicle for controlling receipt and distribution of funds within the U.S. Army. This includes all formal fund distributions at Head-quarters, Department of the Army (HQDA), operating agencies OAs), and installation levels, and informal distribution made by OAs under the Fund Allowance system (FAS). Distribution of targets or allowances to installation activity directors, satellites, and other activities which are made outside of PBAS must be documented and delegated in writing.

6-2. Professional requirements
To ensure proper administrative control of funds, accountants will work with and know--
 a. The Program Budget Accounting System (PBAS).
 b. Statutory and regulatory requirements pertaining to the administrative control of funds.
 c. The level at which anti-deficiency funding controls are established for each appropriation.

6-3. Responsibilities
 a. The Director of the Defense Finance and Accounting Service-Indianapolis Center (DFAS-IN) is responsible for:
 (1) Establishing fund control policy and internal controls.
 (2) Designing, operating, and maintaining the offi-cial fund distribution and control system (PBAS).
 b. The HQDA appropriation/fund sponsor serves as an official within a U.S. Army staff element to supervise a designated appropriation or fund. As the authority on resource requirements (see Table 6-2 for specific appropriations), the sponsor will initiate reprogramming of funds within the designated appropriation during budget execution.
 c. The Deputy Assistant Secretary of the Army for Army Budget (DASA-AB) serves as head of the Army Budget Office (ABO). The DASA-AB has overall responsibility for budget execution of all Army appropriations, including establishment of program controls and reprogramming policy.
 d. The DASA-AB delegates authority for specific appropriations to appropriation/fund managers who act for the DASA-AB for their assigned appropriations. Appropriation/fund managers will--
 (1) Initiate requests for special apportionments through ABO Management and Control Directorate, which prepares all apportionment documents and forwards to the Office of the Secretary of Defense (OSD).
 (2) Provide data to allow ABO Management and Control Directorate to prepare carry-over apportionments (for multi-year appropriations) at least 30 days before the end of the fiscal year (FY).
(NOTE: The Federal Government's yearly accounting period begins on October 1 and ends on the following September 30. The fiscal year is designated by the calendar year in which it ends, that is, fiscal year 1995 begins on October 1, 1994, and ends on September 30, 1995.)

(3) Monitor ABO Management and Control Directorate actions to initiate apportionment requests and Treasury Transfers (SF 1151- Non-expenditure Transfer Authorization) in response to OSD guidance and validate program/fund release documents from OSD Comptroller.

(4) Ensure that sufficient budgetary resources are available for execution (for example, obligation authority, expenditure authority, cash, and so forth).

(5) Initiate program, fund, cash releases, and withdrawals on funding documents through interaction with the Department of the Army (DA) Fund Control Officer to Special Operating Agencies (SOAs) and General Operating Agencies (GOAs).

(6) Initiate initial quarterly allowance/allocations 10 calendar days before the start of each quarter. Make the allowance/allocations effective the first day of the quarter.

(7) Adhere to fund control requirements specified in paragraph 6-1(d).

e. The Management and Control Directorate within ABO will:

(1) Provide guidance to appropriation/fund managers on the reprogramming process, the fund control process, and execution reporting process.

(2) Designate the DA Fund Control Officer who --

(a) Prepares all apportionment documents for U.S. Army appropriations based on OSD guidance or a request for a special apportionment from appropriation/fund managers.

(b) Receives all fund control documents from the DoD Comptroller and makes appropriate distribution to appropriation/fund managers.

(c) Issues program and fund authorizations to HQDA, U.S. Army Major Commands (MACOMs), and other activities in coordination with HQDA appropriation/fund managers and sponsors.

(d) Implements U.S. Army procedures applicable to administrative control of funds.

(e) Maintains operational controls and official documentation for all funding authority received by the U.S. Army.

(f) Receives validated apportionments/ reapportionments, non-expenditure transfer authorizations, U.S. Treasury Warrants, and OSD program/fund release documents and establishes appropriate controls in PBAS.

(g) Ensures that proper administrative and statutory controls are perpetuated on funding documents, in conjunction with appropriation/fund managers and sponsors.

(h) Validates fund and cash availability at appropriation level prior to issuing funding documents.

(i) Authorizes and issues funding documents to SOAs and GOAs.

(j) Initiates all non-expenditure transfers for withdrawal of funds (in coordination with appropriation/fund managers).

(k) Serves as DA technical authority for fund distribution and control of appropriations.

(l) Acts on all funding documents initiated by appropriation/fund managers in a timely manner.

(m) Operates as agreed to by the Deputy Assistant Secretary of the Army for Financial Operations {DASA(FO)} and the DASA(AB) under emergency conditions (mobilization, communica-tion network disruption, and so forth).

(n) Adheres to fund control requirements specified in paragraph 6-1(d).

(o) Maintains reprogramming base and provide technical advice on reprogramming actions through coordination with the appropriation/fund sponsor/ manager.

(p) Identifies administrative restrictions and statutory limitations in the Appropriation Acts and other public laws through coordination with the appropriation/fund sponsor/manager. This includes receiv-ing documents from higher authority as they apply to specific or groups of appropriations. (That is, floors, ceilings, fences, targets, limitations, front-end reprogramming controls, and other restrictions).

(q) Establishes program control values within PBAS to perpetuate administrative and statutory controls identified in "paragraph 7" on appropriate funding documents through coordination with the appropriation/fund sponsor/manger. If controls cannot be established in PBAS, pass restrictions to the proper levels through other means (message, memorandum, and so forth).

f. Designated SOA officials serve as the head of an organizational unit within a MACOM headquarters, DA staff element, or other agency/ command. The SOA officials will receive funds by allowance or allocation from the DA Fund Control Officer. The designated SOA officials --

(1) Receive allowances/funding and/or cash authority from the DA Fund Control Officer.

(2) Perpetuate all administrative and statutory restrictions received from HQDA to subordinate GOAs.

(3) Determine whether allocations received are informally controlled (allowance) or formally subdivided (suballocation) to subordinate GOAs.

(4) Issue allowances/suballocations to subordinate GOAs.

(5) Issue initial quarterly allowances/sualloca-tions seven (7) calendar days before the start of each quarter. Make the allowances/suballocations effective on the first day of the quarter.

(6) Adhere to fund control requirements specified in paragraph 6-1(d).

(7) Initiate requests for unexpired funds subject to the one (1) percent limitation based upon valid requests received from subordinate activities. Include information required by appropriation sponsors and managers.

g. Designated GOA officials serve as the head of an organizational unit within a MACOM headquarters, DA staff element, or other agency/ command. These GOA officials receive funds by allowance or

allotment from the DA Fund Control Officer, or allowance and suballocation from SOAs. Designated GOA officials will--

(1) Receive funding/cash authority from SOAs or the DA Fund Control Officer.

(2) Perpetuate all administrative and statutory restrictions received from HQDA/SOAs to subordinate activities.

(3) Determine whether allocation/suballocation received will be informally controlled (allowance), formally subdivided (allotment) to subordinate activities, or maintained by centrally managed allotments (CMAs).

(4) Initiate requests for customer funding documents from the Order Control Module of PBAS (for GOAs functioning as Customer Order Control Points).

(5) Initiate requests for additional funding and issue allowances/allotments to subordinate activities. This includes requests for unexpired funds subject to the 1 percent limitation based upon valid requests received from subordinate activities or upon receipt of and in the amount of valid payment requests received for obligated balances canceled. Include information required by appropriation sponsors and managers.

(6) Issue funding documents at the highest level practicable with only one allowance allotment per appropriation, per activity.

(7) Account for allocations and suballocations received that will not be further subdivided as allotments (including CMAs).

(8) Issue initial quarterly allowances/allotments five (5) calendar days before the start of each quarter. Make the allowances/allotments effective on the first day of the quarter.

(9) Establish procedures for administrative control of fund allowances issued to subordinate activities.

(10) Administer CMAs and ensure that they remain solvent (see Chapter 7).

(11) Adhere to fund control requirements specified in paragraph 6-1(d).

(12) Determine whether centralized, decentralized, or a hybrid combination of fund control procedures are used.

(a) Under centralized fund control, fund allowances and allotments are maintained and controlled by the Director of Resource Management (DRM)/Comptroller. This includes funds received by tenants or agencies directly from GOAs. The finance and accounting office (FAO)/ Defense accounting office (DAO) maintains official commitment records. The DRM/Comptroller or delegated U.S. Army official certifies fund availability.

(b) Under decentralized fund control, fund allowances and allotments are distributed to installation activities, tenants, and agencies as obligation/expense ceilings and targets. The activity, tenant, or agency will certify fund availability and maintain commitment records. However, overall

responsibility for installation or agency funds still resides with the allowance/ allotment holder.

(c) Under the hybrid combination, fund control may be partly centralized and partly decentralized. (For example, fund control for expired years may be centralized while fund control for current-year funds is decentralized. Control of funds for payroll may be centralized while control of other operating funds is decentralized.)

(13) Perform commitment accounting as directed by Chapter 8.

(14) Adhere to fund control requirements as specified in paragraph 6-1(d).

h. The installation commander or head of an agency, tenant activity, or other organization will be designated to receive funds by operating agencies. Fund control responsibilities may be delegated, in writing, to the DRM/Comptroller or other appropriate official(s) according with paragraph 6-18, below. Designated officials --

(1) Receive allowance and allotments from GOAs.

(2) Determine whether centralized, decentralized, or a hybrid combination of fund control procedures are used.

(a) Under centralized fund control, fund allowances and allotments are maintained and controlled by the DRM/Comptroller. This includes funds received by tenants or agencies directly from GOAs. The FAO/DAO maintains the official commitment records. The DRM/Comptroller or delegated Army Official certifies fund availability.

(b) Under decentralized fund control, fund allowances and allotments are distributed to installation activities, tenants, and agencies as obligation/ expense ceilings and targets. The activity, tenant, or agency will certify fund availability and maintain commitment records. However, overall responsibility for installation or agency funds still resides with the allowance/ allotment holder.

(c) Under the hybrid combination, fund control may be partly centralized and partly decentralized. (For example, fund control for expired years may be centralized while fund control for current-year funds is decentralized; control of funds for payroll may be centralized while control of other operating funds is decentralized.)

(3) Perform commitment accounting as required in Chapter 8.

(4) Adhere to fund control requirements as specified in this chapter.

i. Accounting for installation level fund availability determinations and control requirements is predicated on the following types of funding actions:

(1) Direct and funded reimbursable program received from GOAs.

(2) Direct funding allowances/allotments received from GOAs. Segregate unexpired direct funds received subject to the 1 percent limitation from unexpired direct funds received for other purposes.

(3) FRA received from GOAs.

(4) ARA footnotes received from GOAs.

(5) Cash authority (Funds with Treasury) received from GOAs.

(6) Resource authorizations issued to program/activity directors.

(7) Accepted FRA orders.

(8) Accepted ARA orders.

(9) Direct fund cites/obligation authority.

(10) Appropriation refunds/creditable returns.

j. Management accountants will receive, control/validate, record, analyze, and report funds from the time they are received, issued, until either expended, withdrawn, or canceled.

(1) *Receiving/controlling/validating.* These fund control processes are combined since they are performed concurrently by the management accountant. Although budget and management accounting personnel share fund control responsibilities, accountants will--

(a) Establish and maintain separate transmittal control procedures for funding documents and distributed obligation ceilings.

(b) Monitor FAS documents/fund authorization documents (FAD). Ensure that both the budget and accounting organizations receive them at the same time.

(c) Review each funding document received in the accounting office to ensure the following:

1. There are no missing funding documents. (For example, there are no breaks in FAS document/ FAD service serial number and/or change number sequence.)

2. The FAS document/FAD issue date equals or precedes the effective date.

3. All accounting information is correct.

(d) Develop and follow detailed standard operating procedures for each type of funding document. This includes assigning unique accounting system processing codes and block series for funding transactions.

(e) Monitor funding actions for program/activity directors who have fund certification authority. This is to ensure compliance with statutes and regulations governing the administration and control of appropriated funds.

(2) *Recording.* Accountants will--

(a) Process all funding documents within one workday of receipt.

(b) Verify each recorded funding document to the actual funding source document.

(c) Ensure activity directors, who control their own funds, establish, maintain, and reconcile fund control records and commitment documents files. Fund control records will contain the following elements:

1. The transaction date of each entry.

2. Transaction document reference numbers (DRNs).

3. Funds received/withdrawn.

4. Funds available balance.

5. Commitments and adjustments.

6. Uncommitted fund balance.

7. Obligations and adjustments.

8. Accounting processing indicator (for example, block number, date, and so forth).

9. Unobligated funds balance.

10. Explanation of adjustments, if applicable.

(3) *Analyzing.* Managerial accountants will perform recurring analysis over all aspects of the direct and reimbursable fund distribution, utilization, and control process to --

(a) Preclude errors or irregularities in documents or system by-products conveying the status of installation funds.

(b) Prevent/detect violations of statutes pertaining to monetary limitations and proper use of appropriated funds.

(c) Evaluate the integrity and adequacy of the installation's fund distribution and related budget execution actions.

(d) Determine the adequacy of installation resources. (This includes identifying to appropri-ated managerial personnel funding shortfalls which may preclude mission accomplishment.)

(e) Identify those instances where obligations are approaching fund availability limitations so that violations of the law are prevented.

(f) Determine compliance with local and DA mandated procedures pertaining to the maintenance and reconciliation of activity director's and FAO/DAO's records and files.

(g) Ensure the integrity, accuracy, and meaningfulness of all managerial and fiduciary accounting reports reflecting the status of installation funds.

(h) Determine the efficiency and effectiveness of internal control mechanisms established to safeguard the installation's fund control process.

(4) *Reporting.* Accountants must provide timely, accurate, and complete information on the status of installation funds to applicable resource managers. This will facilitate their planning, budgeting, and decision-making processes. Provide data at least weekly, and daily, if necessary. The reporting procedure encompasses all formal or informal communications between accountants, local resource managers, and higher echelon activities, relative to and/or affecting the installation's or tenant activity's funds. U.S. Army regulations and system output processes, for the most part, dictate the structure of the formal report process. These structured reports are, in many instances, of a very technical nature. They require translating from accounting terminology to common terms that non-accountants can understand. Use informally developed reporting vehicles, or systems, to supplement the formal reports to the extent practical. Analysis efforts and the subsequent reporting of the results and evaluations must be responsive to the needs of managers. Restricting the application of the accountants' analytical abilities and reporting to the

standard formal report data fails to give full worth to the resource manager and commander. Make reports clear, concise, and relevant to the information needs of the recipient.

6-4. The U.S. Army's Planning, Programming, Budgeting, and Execution System (PPBES)

*a. Planning.*Planning is recognizing the threat to our national security and developing a strategy to meet that threat. The main players are the DoD Staff, the Joint Chiefs of Staff/Commanders-in-Chief of the joint and specified commands, and the U.S. Army and other sister services' staffs. The major product of the planning phase is the DoD/ U.S. Army guidance.

*b. Programming.*Programming translates the plan to specific objectives or programs. Like planning, programming is primarily an exercise of the DoD and HQDA staffs. However, the installations and MACOMs provide input via the Army Moderniza-tion Information Memorandum (AMIM), Modern-ization Resource Information Submission (MRIS), and the Program Objective Memorandum (POM). In the AMIM and MRIS, installations provide informa-tion on what new equipment will be fielded. In the MACOM's POM, new initiatives from the MACOMS are provided to HQDA. The output of the programming phase at HQDA is the U.S. Army's POM submitted to the Office of the Secretary of Defense (OSD). The MACOM's POM shows what the U.S. Army proposes to do with the dollars it has been told to expect in each of the next five (5) years. This is in terms of forces, manpower, training, research and development, procurement, construction, logistics, and all other requirements to sustain the force. When the POM is approved by OSD, it is called a POM Defense Program (formerly, the Five-Year Defense Program). The OSD decision is published in the Program Decision Memorandum (PDM), which tells the U.S. Army what parts of the POM are approved and what has to be changed. The PDM also signals the end of the programming phase.

*c. Budgeting.*Budgeting is the development of the detailed fund estimates to support plans and programs approved in the MACOM's POM. It includes explaining and obtaining the resources from the U.S. Congress. To do this, DoD must translate programs (expected output) into appropriations (input), which is the language of the U.S. Congress. The installation and MACOM input to budget formulation is the development of the Budget Estimate Submission (BES).

(1) *Budget cycle.*The program budget cycle at the HQDA, MACOM, and installation level is a very technical, rigid, and time constrained process. It is dictated by the need for uniformity and standardization on the part of the subordinate commands and installations as they prepare critical feeder data for presentation and evaluation in HQDA and DoD program budget submissions. The program budget cycle at the installation level involves two actions. (First, the development of the installation's program for consideration by the MACOM in the MACOM's POM; and second, the display of the installations' approved program and request for reprogramming of budget year funds in the BES.) The commander's statement, which accompanies the various fiscal documents, translates the detailed fiscal data into meaningful statements concerning the impact on combat effectiveness and mission accomplishment. The impacts are stated in quantitative terms.

(2) *Budget formulations.*

(a) Program and budget documents cover the prior year, execution year, budget year (the fiscal year immediately after the execution year), and program year (the fiscal year following the budget year).

(b) The MACOM's POM, is submitted to HQDA during the January/February time period. The MACOM's POM outlines the missions, issues or initiatives the MACOMs would like to see included in the U.S. Army POM. HQDA annually distributes guidance for developing the MACOM's POM in the Program Budget Guidance (PBG) document. If required, the installation will submit its input to the MACOM's POM during the July/August time period.

(c) Installations will submit the BES to the MACOM in May and MACOMs, in turn, will submit to HQDA in July.

(3) *Installation BES development.*

(a) **Step 1.** The procedure starts with the receipt of the MACOM PBG document by the DRM. The DRM distributes this document to the installation directorate staff. The PBG details those jobs, missions, or services assigned to the installation commander for the budget year. It provides general resource guidance; identifies programs requiring command emphasis; furnishes summary data by appropriation and program, manpower, and fiscal constraints; and workload. It also contains the information identifying where accounting requirements may have to be changed to support command objectives. An example of such a change would be guidance that command emphasis be placed on the execution of a new facility improvement program.

(b) **Step 2.** The DRM's office normally reviews the MACOM's PBG giving special attention to its areas of responsibility. During the review, the DRM supports activity directors by clarifying PBG instructions. This includes defining and resolving issues affecting program budget formulation, manpower, and accounting reports. This completed review provides the director with an analysis of actual performance, updated resource requirements, and programmed resources available to support current year operations. The review also provides a comparison of estimated resource requirements for the budget and program year with the resource guidance provided in the PBG. The analysis also identifies and describes any resource constraints impacting on the

directorates, assigned missions for the current, budget, and program years. Directors use this analysis to determine the resource requirements, priorities, unfunded requirements, and to recommend refinements to the "Installation's PBG Directive".

(c) **Step 3.** The Working Program and Budget Advisory Committee (WPBAC) meets frequently during the development of the "Installation PBG Directive". Its members are the installation's resource management officers and the installa-tion's program and budget officer who acts as the committee chairman. Meetings are held to coordi-nate the development of recommended funding targets and manpower resources to identify impacts and issues affecting the directorates and the installation's mission. Many of these impacts and issues are based on assumptions and interpretations of accounting policies, procedures, and reports. When the assumptions and interpre-tations are incorrect, it is likely that the statements of impacts and issues affecting the installation are also inaccurate. The final product of this com-mittee is a "Draft Installation PBG Directive" that includes recommended directorate funding targets, manpower resources, refinements to the MACOM PBG, and resolved issues between the activity directors. This "Draft Installation PBG Directive" is submitted to the members of the senior Program and Budget Advisory Committee (PBAC), DRM, and the activity directors. The PBAC develops the "Recommended Installation PBG Directive" and forwards by DRM to the installation commander for approval.

(d) **Step 4.** The commander directs changes and/or approves the PBAC "Recommended Installation PBG Directive." It is then returned to DRM for publication and distribution to activity directors.

(e) **Step 5.** The distribution of the "Approved Installation PBG Directive" to activity directors begins the installation BES process. The U.S. Army's management doctrine is to integrate programming, budgeting, and budget execution with management authority. Therefore, each subordinate activity, within a directorate that has been delegated management authority, is provided guidance. They are required to prepare a BES submission in support of their activity. These BES submissions may be prepared at the division, branch, or activity level. The activity submits the completed BES to the DRM office for review and compliance with the director's guidance and for consolidation into the directorate's BES.

(f) **Step 6.** On receipt of the directorate's BES submission, the installation program/ budget officer will request accountants participation in the review process. This review will focus on the director's summarized narrative descriptions, justifications, and supporting schedules. This determines if they are consistent with current accounting policy, current accounting reports, and information from the other installation resource management systems. After completing the compliance review, the budget officer

prepares and/or completes all schedules required in the "Draft" BES, and forwards them to the DRM. The budget officer then submits the approved "Draft" BES to the senior PBAC.

(g) **Step 7.** The PBAC reviews the "Draft" Installation BES to ensure compliance with the MACOM's PBG; resolves differences among PBAC members; makes necessary adjustments; and presents its recommended installation BES to the commander.

(h) **Step 8.** The commander approves the installation's BES submission as presented by the PBAC or directs changes. The commander signs and returns the approved BES submission to the DRM for transmittal to the MACOM.

(i) **Step 9.** The commander's statement to the MACOM represents a consolidated effort. It narrates the funding concerns of the installation activity directors. Also, it presents the commander's views of his or her needs in relation to the funding guidance provided.

d. *Execution.* This is the last phase of the U.S. Army's PPBES. It begins when financial author-ization documents are received at the installation. Execution is made up of many functions including fund control, commitment/obligation management, reimbursable activity, and cash/debt management. It requires extensive accountant involvement in processing financial data. This includes generating accounting reports, analyzing execution results, and advising resource managers of current and potential trends and problems.

6-5. Authorization (program)

The authorization process, or Acts, are the programs of U.S. Congress and the U.S. President. This process provides bulk authorization for some purposes (Annual Funding Program) and specific amounts for others (approved programs). When authorizations are in specific amounts, reprogramming is required before the amounts may be exceeded. Reprogramming authority is sometimes delegated by the U.S. Congress within certain limitations or thresholds. Reprogramming authority delegated by the U.S. Congress to the Departments may be further delegated or restricted by OSD to the U.S. Army. Exceeding certain program or reprogramming authority is an anti-deficiency violation.

6-6. Program distribution

Distribute program resources through PBAS for all appropriations. All elements involved in program distribution will--

a. Establish written controls and procedures to prevent over-distribution.

b. Adhere to program restrictions received on distribution documents.

6-7. Reprogramming

Reprogramming is the transfer of program, and in some cases funds, for purposes other than those originally approved by the U.S. Congress. Reprogramming actions do not represent requests for additional authority from the U.S. Congress. Rather, they normally involve the reapplication of authority already approved. A reprogramming action can, however, involve the increase of quantities to be procured. Guidance for reprogramming is published by the Army Budget Office (ABO).

6-8. Appropriations
  a. Appropriations are statutory authorities to incur obligations and make payments out of the U.S. Treasury for specified purposes. The U.S. Army receives most of its funds through two annual Appropriation Acts. Both Acts must be passed by the U.S. Congress and approved by the President of the United States. These Acts are --
  (1) The Department of Defense Appropriation Act (for military personnel; operations and maintenance; procurement; and research, development, test, and evaluation (RDTE) appropriations); and
  (2) The Military Construction Appropriation Act (for military construction and family housing appropriations).
  b. Obligation authority is provided for varying periods.
  (1) Annual, which is available for obligation during a specific fiscal year (FY), after which it expires and is available for adjustments only.
  (2) Multi-year, which is available for obligation during a specific number of years. After which, it expires and is available for adjustments only.
  (3) No-year, which is available for obligation indefinitely.
  c. After the President of the United States signs an Appropriation Act, the U.S. Treasury issues Appropriation Warrants to establish "bank accounts" for each appropriation. The U.S. Treasury Warrant gives the U.S. Army authority to disburse funds from those accounts. Without this authority, the U.S. Army cannot make any payments citing its appropriations.
  d. Augmenting appropriations is not authorized unless provided for by specific statutory or reimbursement program authority. Instances may also arise when amounts refunded on a contract exceed amounts previously paid. For example, when the U.S. Government is to receive funds not previously withheld from a contractor as a result of a contract or contract related litigation. When this situation occurs, credit the affected appropriation on the contract only up to an amount necessary to place that appropriation in the same position it would have been had there not been a mistaken/ erroneous disbursement or an adverse contractor action. Deposit any remaining balance received to the U.S. Treasury Miscellaneous Receipt Account.

6-9. Continuing Resolution Authority (CRA)

  a. A CRA is an interim appropriation to be used until permanent appropriations are enacted. It authorizes continuation of normal operations while preserving Congressional and Presidential prerogatives before enactment of permanent appropriations. To ensure that consistent, up-to-date information is released to field activities, ABO issues a pamphlet and sequentially numbers financial messages addressing operations during a CRA period.
  b. During CRA periods, temporary apportionments and warrants are issued to the U.S. Army by the Office of Management and Budget (OMB) and the U.S. Treasury.
  c. See Chapter 9 for obligation rules and Chapter 13 for disbursement rules for CRA and no-CRA periods.

6-10. Appropriation transfers
Funds appropriated to one department may be transferred to another to fund requirements. The transferror initiates the transfer with SF 1151 (Non-expenditure Transfer Authorization) and arranges with the transferee for accounting and reporting.

6-11. Apportionments and reapportionments
  a. Apportionments are distributions made by OMB based on amounts approved by the U.S. Congress in the Appropriation Acts. For most U.S. Army appropriations, apportionments are required before funds can be obligated. In addition, appor-tionments are also required when funds are trans-ferred between appropriations. Apportionments make amounts available on the basis of time periods, programs, activities, objects, or combi-nations thereof. OMB may use the apportionment process to withhold amounts pending rescission, defer or reserve amounts, identify amounts for specific projects, or restrict availability to certain periods.
  b. Apportionments may include authority to obligate--
  (1) Unobligated carryover from prior years for multi-year/no year appropriations.
  (2) Funds directly appropriated by law.
  (3) Specific amounts for specific reimbursable purposes (funded reimbursements).
  (4) Automatically, based on the receipt of a reimbursable order (automatic reimbursements).
  c. Appropriation managers at ABO and other HQDA staff elements will initiate requests for apportionments through the Management and Control division, OSD, and OMB prior to passage of the Appropriation Acts using DD Form 1105 (Apportionment/Reapportionment Schedule). Approved apportionments are the "bottom line" amounts for controlling appropriations in PBAS.
  (1) Unless specifically exempted from the apportionment process, DA has 15 days from the date of an Appropriation Act to initiate a request for obligation authority (apportionments) through OSD to

OMB. If request is not initiated, the appropriations will expire and new legislation is required.

(2) When funds are transferred to another appropriation, the transferor will obtain the apportionment. (For example, Military Construc-tion, U.S. Army funds transferred from the U.S. Army to the Department of Transportation.)

(3) When funds are transferred between appropriations, apportionment to the receiving appropriation may be required. (For example, from Operations and Maintenance, Army to Operations and Maintenance, Air Force.) In these instances, the transferee will submit the request for apportionment. (See OMB Circular A-34, Instructions on Budget Execution.)

d. Reapportionments are statutory authorities to restore or extend obligation authority to appropriations that expire or would have expired. Reapportionments supersede previous apportionments made during the FY and include all transactions from the beginning of the FY. When an appropriation is reapportioned following a CRA period, the reapportionment includes amounts obligated during that period.

6-12. OSD program/fund releases

a. In addition to participating in the apportionment process, OSD also exercises authority to further restrict program and fund utilization. OSD currently does this using--

(1) SD Form 440 (Investment Program/Fund Approval for Direct Obligations) for RDTE.

(2) SD Form 460 (Military Construction and Family Housing Program/Fund Approval) for military and family housing construction appropriations.

(3) Letter or memorandum for military pay and O&M appropriations.

b. OSD uses these release documents as a means to further subdivide funds at more detailed levels. In the procurement, RDTE, and military construc-tion appropriations, each budget line item, program element, and construction project/program is identified as a formal subdivision subject to the provisions of the Antideficiency Act (31 U.S.C. 1517). If U.S. Army activities, exceed these amounts by more than the delegated reprogram-ming authority, a statutory violation may occur. In other appropriations, OSD identifies formal subdivisions for selected activities such as foreign currency fluctuations.

6-13. Allowances and allocations

a. Allowances/allocations are informal/formal subdivisions of funds made by HQDA to SOAs and GOAs. Use DA Form 1323 {Fund Allowance System (FAS) Document/ Fund Authorization Document (FAD)}, to allocate funds to OAs for all appropriations. In addition to the DA Form 1323, for procurement and RDTE appropriations, use a separate document to issue program amounts by

budget line and program element at the same time. {DA Form 1323-1(Program/Fund Authorization Schedule) for RDTE}. For other appropriations, the DA Form 1323 identifies major programs/ subprograms, administrative and statutory restrictions, and management data on a single document.

b. Fund controls for allowances/allotments are established in PBAS, based on approved apportionments/reapportionments, OSD program/ fund releases, and U.S. Treasury Warrants. After these authorities are loaded in PBAS, HQDA appropriation managers and sponsors will initiate FAS documents/FADs to OAs. In addition, the Fund Control Officer, in coordination with appro-priation managers and sponsors establish admini-strative and statutory controls within appropria-tions. (For example: floors, ceilings, fences, targets, limitations, front-end reprogramming controls, and so forth.) These "within appropria-tion" controls are generally included on the FAS document/FAD along with footnotes providing detailed explanations of statutory or administrative limitations. The completed FAS document/FAD is then approved by the DA Fund Control Officer and electronically transmitted to the recipient OA.

c. Funds apportioned to Department of Defense (DoD) (Department code 97) may be issued to the U.S. Army using SD Form 447 (Fund Authorization). SD Form 447 is both an administrative subdivision of funds (31 U.S.C. 1514) and an approved rate of obligation (10 U.S.C. 2204).

6-14. Allowances/suballocations

Allowances/suballocations are informal/formal subdivisions of funds made by SOAs to GOAs. (For example: AMC HQ issues funds to a subordinate command, such as the U.S. Army Tank and Automotive Command.)

6-15. Allowances/allotments

a. GOAs may distribute funds, informally as allowances or formally as allotments. Each allowance or allotment must be designated in PBAS by establishing allotment serial numbers (ASNs) for activities. The ASN is used to identify funds for distribution and accounting purposes. Issue both allowance and allotments on DA Form 1323. As in the allocation process, issue separate program documents for procurement and RDTE appropriations to identify budget line and program element in PBAS. For all other appropriations, use a single DA Form 1323 to distribute program and funds.

b. Allowances are informal distributions of funds made by GOAs and SOAs to installations commanders and/or activities through use of targets, which may be restricted to execute specific missions. Incurring obligations and disbursements in excess of this target will not result in a statutory violation, if the

OA has sufficient funds available in its allocation or suballocation. Use DA Form 1323 to distribute allowances under the fund allowance system (FAS) in PBAS. This document is identical to the FAD except for its name and a footnote explaining the implications if the target is exceeded. Activities receiving allowances must abide by all administrative procedures established by the activity which issued the FAS document. Once funds are issued as allowances, they must remain as informal distributions to all activities in the funding chain.

c. Allotments are formal sub-divisions of funds made by GOAs to installations commanders and/or activities, which may be restricted to execute specific missions. A statutory violation occurs if obligations or disbursements exceed the amount of the allotment. Issue allotments on DA Form 1323 through PBAS.

d. The level and intensity of fund controls remain the same whether funds are distributed formally or informally. If allowances are exceeded, appropriate actions must be taken to resolve the funding problem and prevent an Antideficiency violation from occurring. This includes reprogramming, recoveries (formerly deobligations) scrubs, reviewing order performance, modifying existing contracts/orders, and requesting additional funding through normal budgetary channels. Any resultant Antideficiency violation may name the individuals responsible for exceeding their allowances as being responsible for the violation.

6-16. Internal fund distribution
All subsequent distributions made by recipients of GOA issued FAS documents/FADs are informal and outside of PBAS control. This includes targets or ceilings to installation activity directors, satellites, and other activities. Document and control these distributions using local procedures. Requirements for fund certification and commitment accounting are prescribed in this chapter and Chapter 8, respectively.

6-17. Delegation of authority
a. A civilian head or military commander may delegate authority for administrative control of funds as necessary to support mission accomplishment.

(1) Delegate in writing to a position or named individual as deemed appropriate by the fund holder. When delegating to a position, an individual must be readily identifiable at any given time. The recipient of the funds must approve the delegation in writing.

(2) Delegations may --

(a) Include the authority to further distribute funds and delegate responsibility for fund control.

(b) Impose restrictions required to maintain control of these funds.

b. Civilian heads or military commanders delegating this authority may be held responsible for violations that result from failure to comply with fund control policies or procedures.

c. The civilian head or military commander of a unit, organization, or separate activity funded directly by a higher command is responsible for the control of his or her funds. The funded civilian head or military commander will furnish --

(1) Written policy and procedures, within gov-erning regulations to be used to control the funds.

(2) Written guidance on the programmed use of the funds.

(3) Copies of applicable funding or limiting documents.

6-18. Certification of fund availability
a. The certification of fund availability is required for unexpired and expired appropriations. See Chapter 12 for special requirements that must be met before certifying fund availability for acquisitions from non-DoD agencies under the Economy Act.

b. Funded commanders (that is FAD recipients) may delegate authority to establish and maintain administrative control of funds. Funded commanders may also withdraw that authority at any time based on their determination of management priorities. (See paragraph 6-17c, above.

c. Finance and accounting officers (non-capitalized), who have the authority to certify fund availability, may delegate the authority to certify fund availability as required to support mission requirements. (See paragraph 6-17, above.)

6-19. Other funds
The Director, DFAS-IN must approve issuance or acceptance of funding documents from or to activities outside DA. Send requests to: Defense Finance and Accounting Service-Indianapolis Center, ATTN: DFAS-IN/AM, 8899 East 56th Street, Indianapolis, IN 46249-2201.

6-20. Non-statutory management controls
Fund distributions at all levels may include controls not based on a statute. Although not subject to 31 U.S.C. 1517, these non-statutory management controls will not be exceeded.

6-21. Computation
The usual method for computing funds available is to total--

a. Unobligated funds carried forward.

b. Direct funds received or withdrawn.

c. Funded reimbursable orders received and accepted. (Note: Orders may be received in excess of FRA, but may not be executed until additional FRA is obtained from ABO.)

d. Automatic reimbursable orders received and accepted.

e. FRA appears on a FAS document/FAD as dollar amounts (ceiling) and cannot be exceeded without obtaining additional FRA authority.

f. ARA appears on a FAS document/FAD as a narrative footnote with no dollar amount and only

approves the authority to engage in automatic reimbursement activity.

6-22. Exceptions to fund computation

a. Increase funds available upon receipt of orders from state, local, or foreign governments (non-foreign military sales (FMS)); corporation; Nonappropriated Fund Instrumentalities (NAFIs); or persons only when cash is received. The exception is that available funds may be increased based on earnings when goods or services are furnished under emergency conditions.

b. For funded reimbursable orders received and not accepted, do not increase funds available in excess of FRA.

c. Fund availability for expired appropriations (other than closed) may be increased for funded reimbursable order adjustments, not to exceed the unused FRA at expiration. If additional FRA is needed, request it from the next higher echelon. Do not use direct funds while awaiting additional FRA from the next higher echelon.

d. Funds from augmentation modernization/replacement modernization sales of items financed from procurement appropriations are not available for obligation to generating activities.

e. Obligation authority for FMS is limited to the authority pulled from PBAS.

f. For the Homeowners' Assistance Program (do not include prior-year unobligated balance), add the following:

(1) Direct funds received.

(2) FRA increases or decreases.

(3) Mortgages assumed, not to exceed the ceiling on FAS document/FAD.

(4) Mortgage liquidations from sales.

g. For the cemetery expenses, U.S. Army appropriation, compute funds available by totaling the following:

(1) Unobligated funds carried forward, reappropri-ated, and shown on the FAS document/FAD.

(2) Prior year recoveries reapportioned and shown on the FAS document/FAD.

(3) Direct funds received or withdrawn.

(4) Funded and automatic reimbursement orders received and accepted when authorized on the FAS document/FAD.

(5) Neither recoveries nor fiscal year-end unobligated balances are available for obligations until authorized on the FAS document/FAD. These amounts will be shown on the FAS document/FAD in footnotes.

(6) Record unobligated balances brought forward in the funds received account. Recoveries will remain in the recoveries column of the RCS CSCFA-218 report (see Chapters 29 and 30).

(7) The Superintendent of Arlington National Cemetery determines program distribution of reappropriated unobligated balances. This includes

prior-year recoveries unless otherwise stipulated by higher authority.

h. For the Fish and Wildlife appropriation, funds available consist of the unobligated carryover balance plus current fiscal year receipts. Obligations are limited to the lesser of obligation authority issued by FAS document/FAD or funds available.

6-23. Footnotes

Footnotes on FAS documents/FADs, DA Form 1323, issued in PBAS, identify statutory and administrative restrictions on the use of funds. Coordinate all footnotes with Director DFAS- Indianapolis Center, ATTN: DFAS-IN/AM, 8899 East 56th Street, Indianapolis, IN 46249-2201.

Table 6-1. Delegation of Obligation Authority

ACTIVITY	ACTION	RECIPIENT
US Congress	Appropriates	OMB
Office of Management and Budget	Apportions	OSD/DA
Office, Secretary of Defense	Subapportions Releases program/fund availability	DA (DoD Appropriations) DA (Army Appropriations)
Headquarters, Department of Army	Allocates	SOAs/GOAs
Special Operating Agency (SOA)	Issues allowances or suballocates	Subordinate GOAs
General Operating Agency (GOA)	Issues allowances or allotments	Installations/activities
Installation/Activity	Issues targets, ceilings, directs citations, or reimbursable orders	Activity directors, tenants, satellites, and so forth.

Table 6-1a. Delegation of Obligation Authority - IMET Program and FMS Credit

ACTIVITY	ACTION	RECIPIENT
US Congress	Appropriates	OMB
OMB	Apportions	DSAA
DSAA	DD Form 1151 voucher	SAAC
SAAC	Sets cash ceilings for cash cases	Allottee
Allottee (GOA)	Directs citations, reimbursable orders, PWDs	Activity directors, installations, and so forth.

Table 6-1b. Delegation of Obligation Authority - FMS Cash (Dependable Undertaking and FMS Administrative Funds

ACTIVITY	ACTION	RECIPIENT
DSAA	Apportions administrative funds	SAAC
SAAC	Sets cash ceilings for cash sales	Allottee
HQDA (ABO)	Sets program ceilings for administrative funds	Activity directors, installations, and so forth.
GOA (Allottee)	Direct citations, reimbursable orders, Project Work Directives (PWDs)	Activity directors, installations, and so forth.

Table 6-2. HQDA Appropriation/ Fund Sponsors and Managers

Appropriation/(Basic Symbol)	Appropriation Fund Sponsor	Appropriation Fund Manager
Military Personnel, Army (2010)	DCSPER	Operations Directorate, Army Budget Office
National Guard Personnel, Army (2060)	NGB	Comptroller Division, Army National Guard
Reserve Personnel, Army (2070)	OCAR	Comptroller Division, Army Reserve
Operations and Maintenance, Army (2020)	ASA(FM&C)	Operations Directorate, Army Budget Office
Operations and Maintenance, National Guard (2065)	NGB	Comptroller Division, Army National Guard
Operations and Maintenance, Army Reserve (2080)	OCAR	Comptroller Division, Chief Army Reserve
Operations and Maintenance, Family Housing (7025)	OCE	Investment Directorate, Army Budget Office
Army Procurement Appropriations (2031 - 2035)	ASA(RDA)	Investment Directorate, Army Budget Office
RDTE (2040)	ASA(RDA)	Investment Directorate, Army Budget Office
Military Construction, Army (2050)	OCE	Investment Directorate, Army Budget Office
Military Construction, National Guard (2085)	NGB	Comptroller Division, Army National Guard
Military Construction, Army Reserve (2086)	OCAR	Comptroller Division, Chief Army Reserve
Military Construction, Family Housing (7020)	OCE	Investment Directorate, Army Budget Office
Defense Business Operation Fund, Army - Supply Management	DCSLOG	Business Resources Directorate, Army Budget Office
Defense Business Operation Fund, Army - Depot Maintenance	ASA(FM&C)	Business Resources Directorate, Army Budget Office
Conventional Ammo Working Capital Fund (4528)	ASA(FM&C)	Business Resources Directorate, Army Budget Office
Surcharge Collect, Commissary (8420)	DCSLOG	Troop Support Division, DCSLOG
Wildlife Conservation, Army (5095)	OCE	Budget Division, Corps of Engineers
Army General Gift Fund (8927)	ASA(FM&C)	Directorate of Accounting, DFAS-IN/ABB
Ainsworth Library (8063)	ASA(FM&C)	Directorate of Accounting, DFAS-IN/ABB
Promotion of Rifle Practice (1705)	OSA	Resource Management Office, National Board for Promotion of Rifle Practice